LNG Unlimited

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# Cheniere sees stronger LNG market and hopes for more sales to China

**Houston-based company's CEO Jack Fusco says he hopes China trade will move beyond spot cargoes**

**LNG News Editor**


Cheniere shipping includes chartered 'GasLog Galveston'

Cheniere Energy, the largest US LNG exporter from the Sabine Pass plant in Louisiana and the Corpus Christi facility in Texas, said the global LNG market had strengthened significantly and it hoped to increase shipments to China as it reported mixed earnings while still posting $9.58 billion of annual revenues and shipping 391 cargoes in 2020.

Cheniere's revenue from cargo sales was down 4 percent in 2020 compared with the $9.73Bln received in 2019 and cargo numbers were also slightly lower that the 429 logged in 2019, partly due to mid-year customer cancellations.

## Quarterly loss

Cheniere reported a fourth-quarter net loss of $194 million compared with a gain of $939M in the same three months of 2019 because of one-time items.

"During fourth quarter 2020, net loss was negatively impacted by approximately $515M related to non-cash changes in fair value of commodity and foreign exchange derivatives, primarily related to the impact of commodity curve shifts on our Integrated Production Marketing (IPM) agreements for the purchase of natural gas and on our forward sales of LNG," explained Cheniere.

For the full year, the Houston, Texas-based company logged a loss of $89M because of 2020 business challenges and issues versus net profits in the previous year of $648M.

Revenues from LNG sales in the fourth quarter fell 7 percent to $2.78Bln from $3.00Bln in the prior year period with the number of quarterly shipments unchanged year-on-year at 130 cargoes.

Quarterly highlights included starting shipments of LNG commissioning cargoes from Train 3 of the Corpus Christi plant.

Cheniere also noted the shipping of the first two cargoes under a 25-year LNG Sale and Purchase Agreement with CPC Corp. of Taiwan. The cargoes were delivered in the first quarter 2021.

"After a year in which the unprecedented became ordinary course, I am extremely proud to report fourth-quarter and full-year 2020 financial results that place us solidly within our original, unchanged consolidated guidance range," said Jack Fusco, Cheniere's President and Chief Executive.

"We accomplished this while successfully managing a full spectrum of challenges last year, from a global health crisis and its wide-ranging effects, to record low LNG market pricing, and two major hurricanes making landfall near our infrastructure," the CEO added.

"The results we reported once again prove the resilience, stability and reliability of our business through commodity cycles," stated Fusco.

He added that the recent winter storm in the Gulf Coast region and the resulting effect on electricity and other utilities had no material impact on Cheniere's assets or operations.

"The global LNG market has strengthened significantly since our last quarterly update, improving our outlook for the remainder of the year," declared Fusco.

"We are raising our 2021 financial guidance and are confident in our ability to once again deliver reliable financial results this year and to progress on commercializing additional portfolio volumes as well as Corpus Christi Stage 3," he said.

Fusco was referring to the Corpus Christi expansion project for 10 million tonnes per annum of additionally LNG output and when added to the current three operating Trains in Texas would give 25 MTPA of total production.

"Commercially, we continue to believe the long-term supply and demand dynamics are conducive to long-term contracts progressing," Fusco told a later conference call with analysts. Fusco said he was hopeful of improving Cheniere's trading with China.

"We have a great office in China. We've sold quite a few cargoes there recently on the spot market, and we're hopeful that the relationship between the two countries can continue to improve. And hopefully, we'll be back at the table for more long-term contracting," added the CEO. ■

## UNLIMITED AGENDA

# Qatargas awards engineer Saipem contract worth $1.7Bln for North Field LNG feed-gas project

LNG News Editor

Italian energy engineering company Saipem has been awarded a $1.7-billion contract by Qatargas for the development of the North Field Production Project offshore of the Northeast coast of the Qatar peninsula to underpin LNG expansion.

The scope of work encompasses the engineering, procurement, construction and installation of various offshore facilities for the extraction and transportation of natural gas.

## Biggest

The Qatari North Field is the world's biggest single non-associated natural gas field. The field is owned by Qatar Petroleum and is operated by its subsidiary Qatargas.

Qatar Petroleum announced the expansion of the gas field in April 2017 after revoking its 12-year self-imposed ban on field development.

Qatar's LNG fleet will soon be expanded to meet new surge

The expansion will increase Qatar's LNG production capacity from 77 million tonnes per annum to 110MTPA.

First gas from the expansion project is expected to be produced by the end of 2023 to 2024.

Saipem will be responsible for platforms, supporting and connecting structures, subsea cables and laying its anti-corrosion internally cladded pipelines.

"Furthermore, the project encompasses the decommissioning of a pipeline and other significant modifications to existing offshore facilities," explained Saipem.

"Pipe-laying and lifting operations will be executed by one of its vessels in water depths of around 65 metres, leveraging on Saipem's high-end welding technology for corrosion resistant cladded pipelines to stringent quality requirements," added Saipem.

This new contract consolidates the Italian group's position in Qatar and is the latest of a string of projects awarded since Saipem's return in the country in 2018 with the Barzan project.

Saipem is already executing the WHP12N Jacket project, awarded in July 2020, which is part of the North Field production development.

Additionally, Saipem has received from Qatargas a Letter of Intent for the contractual package regarding offshore export pipelines and related onshore works of the North Field production.

The award of the additional package is subject to the definition of contractual details and the client's final approval.

"Saipem is well positioned and actively executing various contracts in Qatar, a key market for us with several offshore investments expected to progress in the near future," said Stefano Porcari, Chief Operating Officer of Saipem's Offshore Division. ■

# Mauritania-Senegal floating LNG project gets back on track with work ramp-up for first phase

Kosmos Energy, the US shareholder in the floating LNG projects offshore the West African nations of Mauritania and Senegal, is aiming for the first phase of the planned floating LNG project to be 80 percent completed by the end of 2021.

Kosmos is developing FLNG production under the Greater Tortue-Ahmeyim project with UK major BP, and in its fourth-quarter earnings report gave an update on the venture.

That's as the Dallas, Texas-based company generated net income of $8 million and an adjusted net loss of $49M.

The US company specialises in Atlantic Margin assets and also has oil and gas projects operating offshore Ghana and Equatorial Guinea as well as in the Gulf of Mexico.

Kosmos said it expected nine planned infill wells in the Mauritania- Senegal business to provide near-term production growth and a ramp-up in activity on Phase 1 of the Tortue-Ahmeyim project.

Quarterly net production from all the Kosmas operations amounted to 60,200 barrels of oil equivalent per day with sales of 71,200 boepd.

Revenues for the final three months of 2020 came to $274M, or $41.84 per barrel of oil equivalent.

"Phase 1 of the Greater Tortue-Ahmeyim project made good progress in the quarter and was around 50 percent complete by year end," said Kosmos.

"The project remains on track for first gas in the first half of 2023," it added.

To fund its current Tortue-Ahmeyim project stake Kosmos has established a financing path to first gas, including the sale of the company's interest in the project's floating production storage and offloading (FPSO) unit, the refinancing of the National Oil Company loans and a direct investment in Kosmos's Mauritania and Senegal position.

"Good progress has been made with the FPSO sale with Kosmos and BP signing a memorandum of understanding this month outlining the key terms of the transaction," explained the company.

"Closing is now targeted within the second quarter of 2021. The sale of the FPSO is expected to reduce Kosmos's cash requirements to first gas by approximately $320M," it added.

Kosmos expects to spend approximately $225M to $275M in 2021, excluding its expenditure on Mauritania and Senegal, and around 80 percent of which will target maintaining and growing existing production and with up to 20 percent targeting growth activities.

"Operational momentum is building in 2021, with a significant uptick in forecast activity across the portfolio," said Chairman and Chief Executive Andrew G. Inglis.

"We expect the nine planned infill wells in the base business to provide near-term production growth and the ramp up in activity at Phase 1 of Tortue to reach 80 percent completion by year-end," added Inglis.

"With the strategic actions we took in 2020, we enter 2021 with a lower cost base, a solid balance sheet, healthy liquidity and the operational momentum to deliver value to our shareholders from a portfolio of assets that are low cost and lower carbon," declared the CEO.

Kosmos said it exited the fourth quarter of 2020 with around $2 billion of net debt and available liquidity of around $570M. ■

## Stake sold in pipeline for Chicago supply and LNG

US pipeline operator Kinder Morgan said a minority stake of 25 percent had been sold in the 9,000-mile Natural Gas Pipeline Company of America, which supplies city gas to Chicago and feed gas to LNG plants on the Gulf Coast of Texas and Louisiana.

Kinder Morgan and the other joint owner of the pipeline, Brookfield Infrastructure Partners of Canada, sold the NGPL stake to a fund controlled by ArcLight Capital Partners, based in Boston, Massachusetts, and specialising in energy sector investment.

"The value of the minority interest implies an enterprise value of about $5.2 billion for NGPL, representing 11.2 times its 2020 earnings before interest, taxes, depreciation and amortization," said a statement from Kinder Morgan and Brookfield.

NGPL, which is currently expanding on the Gulf Coast with additional compression, supplies all major natural gas basins through its interconnects with intrastate and interstate pipeline systems the length of the nation, including the Gulf Coast LNG market.

Kinder Morgan is itself a shareholder in LNG with stakes in the Elba Island export plant in Georgia and the Gulf terminal project in Mississippi.

In addition to its 9,100 miles of pipeline, NGPL operates more than 1 million compression horsepower and 288 billion cubic feet of working natural gas storage.

Kinder Morgan and Brookfield said they would each hold a 37.5 percent interest in NGPL following the closing of the ArcLight deal and Kinder would continue to operate the pipeline. ■

# Höegh FSRU will start up at end of March at Indian port of Jaigarh

**LNG News Editor**

Höegh LNG, the Norwegian LNG fleet owner and floating terminal projects company, returned to profit in the fourth quarter as it prepared to deploy a floating storage and regasification unit (FSRU) as India's latest import terminal in the West Coast port of Jaigarh in the state of Maharashtra.

The company said the vessel "Höegh Giant" will serve the contract with the Hiranandani Group's H-Energy subsidiary after having conducted minor modification work and pre-completion of the vessel's five-year periodic class survey.

**Port of Jaigarh in state of Maharashtra ready for FSRU**

### Charter

The FSRU charter runs for a period of 10 years with annual termination options for the charterer after year five.

"The vessel's planned start-up in India is at the end of March 2021," stated the company.

"The H-Energy-HLNG FSRU terminal will facilitate the replacement of domestic Indian coal consumption for electricity generated with natural gas," it added.

Höegh also disclosed that since the end of the fourth quarter it had secured interim LNG carrier contracts for three of its other FSRUs.

That's as Höegh reported fourth-quarter net profits of $782,000 compared with $3.99 million in the same three month of 2019 and a better performance than its $2.55M loss in the third quarter of 2020.

The company's 2020 net profits during a challenging year came to just $146,000 versus $8.04M of net profit recorded in 2019.

The company noted that First-GEN Corp. in the Philippines had chosen Höegh as one of three preferred tenderers moving to the next stage of its tender process for an FSRU at the LNG import terminal in Batangas City.

"Construction work on modifying the jetty is expected to start in March 2021," said Hoegh. ■

# Elba Island LNG export plant to get May inspection by FERC regulators

Southern LNG Company, the operator of the Elba Island LNG export plant near Savannah in Georgia and a subsidiary of pipeline giant Kinder Morgan, is to host a full inspection of the facility by regulators just after the first anniversary of a fire at the new plant that delayed completion.

The inspection is due after a challenging first year of operations in 2020 when just 12 cargoes were shipped.

Elba Island is the smallest US export facility out of six operating and has 10 mid-scale Trains in its Moveable Modular Liquefaction System pioneered by Royal Dutch Shell.

After the Elba Island plant entered service in December 2019 it had sent out just a couple of cargoes when it was hit by a fire that halted operations and was cause for an investigation.

The Kinder Morgan subsidiary then restarted two of the three liquefaction units shutdown after the May 11 fire, which was extinguished by equipment on site and caused no injuries.

The Federal Energy Regulatory Commission has scheduled its inspection at the facility, which now has 10 Trains on stream, after mid-May.

All of the six US liquefaction plants receive annual inspections and the FERC told Southern that the schedule of the visit could change because of Covid-19 issues.

"The Commission staff plans to conduct its technical review and site inspection of the Elba Island LNG facility near Savannah, GA, on May 18-20, 2021," said the FERC notice.

Elba Island has nameplate output of 2.5 million tonnes per annum and is the smallest of the six US export plants currently on stream.

All of Elba Island's 12 cargoes shipped in 2020 were for the main contract holder Shell.

The facility can produce around 36 cargoes per annum when at full capacity. ■


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# NEWS NUDGES

### K-Line LNG fuel ship

Kawasaki Kisen Kaisha (K-Line), the Japanese shipping company, said it was pleased to be the operator of the first Singapore-owned LNG bunkering vessel, the 7,500 cubic metres capacity "FueLNG Bellina", as it entered service in the Asian port city. The vessel is owned by the FueLNG joint venture comprising Keppel Offshore and Marine and Shell Eastern Petroleum.

### Qatar-Vitol agreement

Qatar Petroleum signed a long-term Sale and Purchase Agreement (SPA) with global commodities company Vitol for the supply of 1.25 million tonnes per annum of LNG for delivery to Bangladesh. The shipments will begin later in 2021. "We are pleased to sign this SPA with Vitol, and we look forward to commencing deliveries to further contribute to meeting Bangladesh's energy requirements," said Saad Sherida Al-Kaabi, President and Chief Executive of Qatar Petroleum.

### Sempra unit earnings

IEnova, the Sempra Energy Mexican subsidiary and developer of the Costa Azul export plant, posted gross earnings for the year of more than US$1 billion. However, net profits for 2020 were lower at $461M million compared with $468M in 2019. IEnova said earnings benefited from the start of operations of the South Texas-Tuxpan pipeline bringing natural gas supplies from the US, partially offset by the revenue deferment at the Guayma-El Oro natural gas pipeline and lower operational results at the Termoeléctrica de Mexicali power plant.

# Chinese LNG importer and oil major CNOOC plans fast-track route for new oil and gas field in Bohai Sea

**LNG News Editor**

**Field was likely to start production by as early as 2023**

China National Offshore Oil Corp., one of China's main LNG importers, said its newly discovered Bozhong 13-2 oil and natural gas field in the Bohai Sea offshore northeast China could prove to be one of nation's largest resource basins and will be subject to fast-track development.

CNOOC said the new field was expected to play a key role in helping the company produce 40 million tons of crude from the Bohai oilfield during the 14th Five-Year Plan period of 2021-2025.

### Structure

"The Bozhong 13-2 structure is located in the southwestern Ring of Bozhong Sag in the Bohai Bay with an average water depth of about 23.2 metres," explained CNOOC.

"The discovery well BZ13-2-2 was drilled and completed at a depth of 5,223 metres, and encountered oil pay zones with a total thickness of approximately 346 metres," added CNOOC.

"The well was tested to produce an average of approximately 1,980 barrels of crude oil and 5.25 million cubic feet of natural gas per day," stated the Chinese major.

"The successful exploration of Bozhong 13-2 structure is another remarkable exploration achievement for the company in oil and gas exploration offshore China," said Zhou Xinhuai, General Manager of the Exploration Department at CNOOC.

Zhou said the Bohai oil and gas field was likely to start production in 2023 and achieve a peak output of 1.2 million tons of oil equivalent.

The Bohai Sea natural gas and oil finds will boost CNOOC's annual output to above 80 million tons of oil equivalent by 2025.

CNOOC is aiming to produce 30 million tons of domestic crude oil and 3 billion cubic metres of natural gas in 2021.

During the first quarter, the company is starting three major projects including large and medium -sized oilfield developments.

CNOOC is one of the companies underpinning Chinese energy procurement from domestic resources and through imports.

It concentrates on LNG while rival China National Petroleum Corp. specializes in pipeline natural gas imports as well as LNG.

CNOOC currently has capacity at nine of China's network of 22 LNG import terminals and ports.

CNOOC's LNG import capacity is held at most of the regasification terminals south of Shanghai, the port city where it has capacity at one facility.

It is additionally a foundation customer at the Royal Dutch Shell-operated Queensland Curtis export plant on Curtis Island in eastern Australia.

China's natural gas imports including pipeline gas and LNG are forecast to rise by 18 percent to 163 billion cubic metres in 2021.

In addition to the current 22 LNG terminals in China that have a total annual receiving capacity of 60 million tonnes per annum, the country plans to complete two more terminals in 2021, Pinghu LNG and Wenzhou LNG, both located in the eastern Zhejiang province.

China confirmed that 2020 liquefied natural gas imports hit a record as energy needs continued to grew even after the slowdown in the first half caused by the Covid-19 pandemic.

Chinese imports totalled 67.13 million tonnes in 2020, an increase of 11.5 percent, according to China's General Administration of Customs.

### Month high

Shipments during December hit a record monthly high of 7.59MT, up 18.2 percent from the same month a year ago.

The December imports surpassed the previous record of 6.61MT achieved in November 2020.

China's main LNG suppliers are Australia, Qatar, Malaysia, Indonesia, Russia and the US.

> **The successful exploration of Bozhong 13-2 structure is another remarkable exploration achievement for the company in oil and gas exploration offshore China**
>
> *- Zhou Xinhuai, General Manager of the Exploration Department at CNOOC*

# LNG Canada faces delays as pipeline company TC Energy also counts cost of Keystone XL

**LNG News Editor**

TC Energy, the Canada-based North American pipeline company, said it was working with the Royal Dutch Shell-led LNG Canada project on establishing a revised project schedule for the Coastal GasLink as delays are inevitable along with higher costs due to scope expansion, permit delays and the impacts from Covid-19.

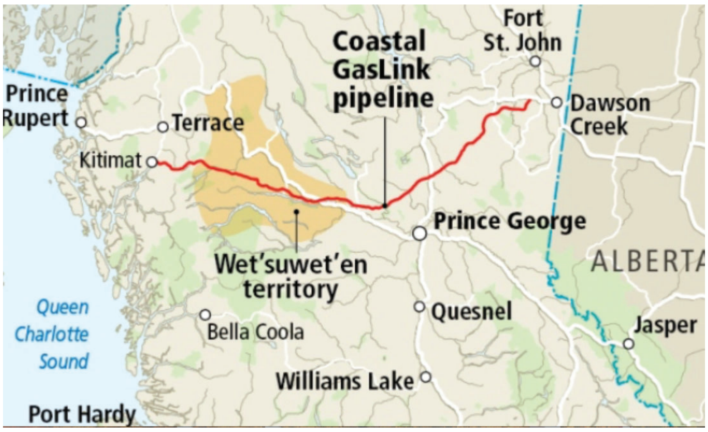
The updates on the Coastal GasLink and the Keystone XL project cancelled by the US were part of the latest earnings report from the Calgary, Alberta-based company.

TC Energy's earnings improved and it reported annual net profits increased by around 12.3 percent to C$4.5Bln (US$3.5Bln) from C$3.9Bln (US$3.1Bln) in 2019.

TC Energy explained that the British Columbia Provincial Health Officer issued an order restricting the number of workers on site for industrial projects, including the Coastal GasLink.

That pipeline will be 670 kilometres (416 miles) in length and provide feed-gas for the liquefaction and export plant currently under constructed at Kitimat in the Pacific Coast province of British Columbia.

Once completed, the pipeline will connect abundant Western Canadian Sedimentary Basin natural gas supply to the Shell-operated facility.




**The pipeline will run for 670km from Dawson Creek to Kitimat where liquefaction plant is being built**

"Coastal GasLink is working with the provincial health authorities to safely resume construction activities in accordance with the objectives and timelines defined in the order," stated TC Energy.

"We expect that project costs will increase significantly and the schedule will be delayed compared to the previously disclosed estimate due to scope increases, permit delays and the impacts from Covid-19, including the provincial health order," explained TC Energy.

"Although Coastal GasLink will continue to mitigate these impacts to the extent possible, incremental costs will be included in the final pipeline tolls, subject to certain conditions. We do not anticipate our future equity contributions will increase significantly following the conclusion of this process," it added. At the same time, TC Energy said it was still assessing the impact of its Keystone XL project being cancelled under the January US Presidential order.

"As a result, we suspended the advancement of the Keystone XL pipeline project and ceased capitalizing costs, including interest during construction, and also ceased accruing a return on the Government of Alberta interests as of that date, while we assess our options along with our partner, the Government of Alberta, and other stakeholders," explained TC Energy.

"We expect to record a substantive, predominantly non-cash, after-tax charge to our earnings in first quarter 2021, which will be excluded from comparable earnings," added the company.

This 1,947km (1,210-mile) Keystone pipeline was designed to deliver 830,000 barrels per day of crude oil from Hardisty in the Canadian province of Alberta to the US state of Nebraska.

It would then have connected with existing US facilities to reach US Gulf Coast refiners to meet critical needs for transportation fuel and manufactured products. Keystone had been expected to be placed into service in 2023.

The Coastal GasLink and Keystone disappointments were offset by increased contributions to earnings from the Mexico Natural Gas Pipelines division, mainly due to higher earnings from TC Energy's investment in the South Texas pipeline from the US to Mexico following its September 2019 start-up.

Also in Mexico, TC Energy reported progress in the Guadalajara project linked to an LNG terminal.

"A project to allow bi-directional flows was completed in December 2020 and the TSA with the Mexican Federal Electricity Commission was renegotiated," explained TC Energy.

"The bi-directional flow allows access to either LNG imports from the Manzanillo LNG terminal or access to continental natural gas at the Guadalajara supply points for delivery to regional markets," added the company.

## Reganosa to be operator at Sardinia's first terminal

Reganosa, the Spanish LNG terminal company, is expanding its portfolio of operated terminals by winning the contract to operate and maintain the regasification facility being brought online on the Italian island of Sardinia.

The Spanish company, which operates the Mugardos terminal in northwest Spain, is now a leader in third-party gas plant management.

In addition to Mugardos, Reganosa will also shortly take over the operation and maintenance of a floating regasification terminal offshore the port of Tema in Ghana and the first LNG import facility in sub-Saharan Africa.

Reganosa already runs a near-shore regas facility for the smallest European Union nation, Malta, in the Mediterranean.

Its latest contract in Sardinia comes from Higas, the development company for the terminal at Oristano and whose joint venture partners include Avenir LNG, comprising London-based Norwegian shipping and storage company Stolt-Nielsen and its peer fleet owners and project companies, Höegh LNG and Golar LNG.

The Higas terminal includes a jetty capable of receiving LNG vessels up to 20,000 cubic metres, an unloading arm, six horizontal cryogenic holding tanks of 1,500 cubic metres capacity each, two LNG truck-loading bays and a natural gas power generation system.

The Sardinian terminal can load in excess of 8,000 LNG trucks each year for subsequent distribution to smaller satellite stations across the island in a classic version of a targeted small-scale LNG project.

# Pavilion will receive cargoes from Chevron measuring GHG impact

**LNG News Editor**

Pavilion Energy, the subsidiary of Singapore wealth fund Temasek, said its trading unit had signed an agreement with US major Chevron Corp. for the Asian city state to receive LNG shipments for six years with emissions measured along the value chain.

Pavilion Trading & Supply Pte Ltd said its accord with Chevron's trading subsidiary was for 500,000 tonnes per annum from 2023.


**Chevron and Pavilion Energy sign their green LNG deal**

### Paperwork

Pavilion stated that under its supply agreement each shipment would be accompanied by a statement of its greenhouse-gas emissions measured from wellhead to discharge port.

The volumes will come from the portfolio of Chevron, operator of the Gorgon and Wheatstone plants in Western Australia and the Angola LNG plant in southwest Africa.

"As we proactively promote GHG emissions reduction and offsets, we are thrilled to be joined by Chevron," said Frédéric H. Barnaud, Group Chief Executive of Pavilion.

"I am confident that a bold, ambitious and uncompromising industry collaboration will boost our own efforts towards achieving a meaningful impact," added Pavilion.

The Singaporean group and its Pavilion Gas unit are at the forefront of efforts to make the Port of Singapore a main Asian LNG hub as well as a leader in providing fuel for LNG-powered ships.

Law Tat Win, Chevron's Singapore Country Chairman, said the US company and the Asian energy player had an accord that pleased all parties.

"Chevron embraces a lower-carbon future, where we will continue to deliver affordable, reliable and ever-cleaner products," explained Win.

"I am excited that Chevron will be partnering with Pavilion Energy to develop processes and tools which will enable us to offer life-cycle carbon footprinted products to the market in Singapore," he added.

In addition to supplying LNG to Singapore, Pavilion and its strategic partners said they were committed to co-develop and implement a greenhouse-gas quantification and reporting methodology for LNG.

# Woodside's Singapore unit signs firm deal with Germany's RWE

Woodside Petroleum said its Singapore-based trading unit signed a sale and purchase agreement (SPA) with Germany utility and energy company RWE Supply & Trading GmbH for the supply of LNG from Woodside's global portfolio for a term of seven years starting in 2025.

The quantity of LNG to be supplied under the SPA is around 840,000 tonnes per annum.

Woodside emphasized that the Germany SPA is not subject to final investment decision on any project.

"The SPA builds on Woodside's and RWE's strong relationship developed through existing mid-term and spot business in Asia-Pacific and the Atlantic basin," said the Western Australia company based in Perth.

Woodside Executive Vice President for Development and Marketing Meg O'Neill said the signing of the SPA with RWE was further evidence of the expected strong market demand for LNG in the second half of this decade.

"Customers are increasingly seeking to secure new energy supplies in a timeframe which supports the development of our Scarborough offshore gas resource and the expansion of the Pluto facility with the addition of a second LNG production Train," explained O'Neill.

"The SPA also provides the opportunity for Woodside and RWE to explore the potential for carbon-neutral LNG production and trading," she said.

Andree Stracke, Chief Commercial Officer for Gas at the RWE trading arm, said the transaction demonstrated RWE's ongoing commitment to expanding its global LNG portfolio.

"RWE is delighted to enter into a longer-term LNG supply agreement with Woodside which further reinforces the strong relationship we have developed together over the last years," explained Stracke.

"The volumes will continue to enable us to deliver effective LNG solutions to our customers and will provide a platform to further advance our existing business in Asia," he stated.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# India LNG imports fall at start of year as Delhi minister urges more industrial spending

**LNG News Editor**

**India's Finance Minister appeals to 'India Inc.' to invest**

India posted a drop of more than 14 percent in liquefied natural gas imports last month amid higher prices and as the economy still lagged because of low industrial demand and the ongoing impacts of Covid-19.

LNG imports for the month of January came to 1.78 million, or around 26 cargoes, a drop of 14.3 percent on the 2.07MT received in January 2020.

## Fiscal total

The cumulative imports for the first 10 months of the fiscal year from April 2020 to January 2021 came to 20.02MT, down 1.2 percent compared with the 20.27MT logged for the corresponding period of the previous year, according to the latest data from the Indian Ministry of Petroleum and Natural Gas.

The imports received in December 2020 had come to 2.06MT, around 30 cargoes, compared with 2.4MT in December 2019, a decline of 0.9 percent.

However, this December total still took India's calendar-year import total for 2020 over the 25MT mark to 25.29MT, or more than 350 cargoes.

That was 5.5 percent higher than in 2019 when the shipments amounted to 23.98MT, after rising 7.1 percent from the 22.42MT received in 2018.

India's Finance Minister Nirmala Sitharaman said in a speech on February 20 that "India Inc." needed more investment to boost the economy and industrial output.

"We need capacities to be ramped up, we need expansion, we need more production of very many products, which are so required for the economy," she stated.

India remains the fourth-largest LNG importer after Japan, China and South Korea, though the Indians would have to add an additional 15 MTPA of LNG to their 2020 receipts to overtake the Koreans into third spot.

LNG deliveries to India come mainly from Qatar, which provides over one-third of volumes, as well as West Africa, the US, Australia and the spot market.

Ministry data also showed that the costs of importing cargoes in January 2021 came to around $600M versus $800M in the same month of 2020 with lower volumes.

The April 2020 to January 2021 costs were given as $5.8Bln compared with $7.9Bln in the same fiscal-year period in 2019-2020.

India's domestic production of natural gas for January 2021 was 2.55 billion cubic metres, which was lower by 2.2 percent compared with the 2.61 Bcm logged in January 2020.

Domestic production from April 2020 to January 2021 amounted to 23.68 Bcm compared with 26.42 Bcm of output in the previous fiscal year period, a drop of 10.4 percent.

India's seventh import facility is scheduled to start up soon in the West Coast state of Maharashtra, though the nation still lacks a geographic spread of terminals with only one currently located on the East Coast.

This follows the 2020 opening of the sixth facility at Mundra in the West Coast state of Gujarat, co-owned by Gujarat State Petroleum Corp. and the Adani Group.

The main operating terminals on India's West Coast are at Dahej, Hazira and Dabhol, near Mumbai, and at Mundra, north of Mumbai.

There is additionally the Kochi facility in the southwest state of Kerala and one East Coast terminal at Kamarajar, 25 kilometres north of Chennai Port in Tamil Nadu, and also known as Ennore. ■

# Japan's LNG imports jump amid stocks rebuild while thermal coal shipments for power also rise

Japan's liquefied natural gas imports jumped by 7.3 percent last month, backed by a more than doubling of US supplies, underpinned by cargoes from Australia and the spot market, while thermal coal shipments surge by almost 11 percent.

Shipments of LNG to the Japanese import network amounted to 8.06 million tonnes in January, or around 118 cargoes, an increase on the 7.51MT received in January 2020, according to the preliminary data from the Finance Ministry.

Japan had imported 7.72MT of LNG in December, its highest total of the year, while imports in November 2020 had come to 6.02MT, less than the 6.27MT received in the same month of 2019.

Annual shipments of LNG to the Japanese import network amounted to 74.46 million tonnes in 2020, down 3.7 percent compared with the 77.32MT received in 2019.

The January 2021 shipments at 8.06MT were still short of the most recent record set in January 2017 of 8.30MT.

Japan's shipments in January 2021 cost 365.77 billion yen ($3.45Bln), a drop of 7.3 percent on the 394.52Bln ($3.72Bln) spent in January 2020 when volumes were also less.

LNG imports by the world's largest buyer of the fuel are continuing to decline and the 2019 total of 77.32MT was 6.7 percent lower than the 82.85MT logged in 2018.

However, Japan is expected to have steady imports in the next few months of 2021 as it re-builds its stocks used in the colder weather season weather.

The second-largest LNG importer, China, is poised to overtake Japan in the next few years and its shipments in 2020 came to 67.13MT, just 7.33MT behind the latest Japanese total.

LNG competes mainly with thermal coal for power generation in Japan and as the nation's nuclear power generation was still at a very low level.

Japan's thermal coal imports in January 2021 came to 10.67MT, an increase of 10.8 percent on the shipments received in January 2020.

Nuclear power usage in Japan is still much reduced to less than a handful on line compared with the 50 units operating in 2011. ■

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